



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
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# Press Release

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***FOR IMMEDIATE RELEASE***

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**ATTORNEY GENERAL DARRELL MCGRAW ANNOUNCES SETTLEMENT WITH INTERNET ADVERTISING COMPANY. YP.COM WILL STOP ISSUING "LIVE ACTIVATION CHECKS" THAT AUTHORIZE AUTOMATIC WITHDRAWALS FROM CONSUMERS' BANK ACCOUNTS WITHOUT THEIR KNOWLEDGE.**

Attorney General Darrell McGraw announced today that YP Corp. and its subsidiary, Telco Billing, Inc. ("YP.com"), have agreed to settle allegations by McGraw's office and 33 other state attorneys general that YP.com deceptively used "live" activation checks to lure small businesses and organizations into signing up for internet advertising service.

The states alleged that since at least January 1, 2003, YP.com sent businesses and other organizations "live" activation checks in the mail. These checks were made payable to the business or organization for a small amount, usually around \$3.50. However, the fine print on the back of the checks stated that by depositing the check, the recipient agreed to purchase advertising from YP.com for its on-line yellow pages directory. The fine print also provided that by depositing the check, the recipient authorized YP.com to collect a hefty fees for these services, anywhere from \$27.50 to \$39.95 every month. In some cases, the "agreement" authorized the fee to be charged to the organization's telephone bill. In other cases, YP.com simply began debiting the fee directly from the bank account where the activation check was deposited by the unwitting recipient.

The states' investigation revealed that large numbers of YP.com's "customers" had no idea they were purchasing a yellow page listing or that they were agreeing to pay a fee. In some of these cases, the check recipient remained unaware that it was being billed by YP.com for several months, if not years, after depositing the activation check.

According to the terms of the settlement agreement filed with the court today, YP Corp. has agreed to stop using activation checks to obligate businesses to purchase its products and services. YP Corp. also has agreed to pay \$2,000,000.00, collectively, to the states to be used for restitution to former YP.com customers who did not understand the consequences of depositing YP.com's activation check and to reimburse the states for their investigation costs. YP Corp. also agreed to contact its current activation check customers to inform them of their right to cancel their agreement with YP.com and of their potential eligibility for at least a partial refund of monies paid to YP.com.

The settlement provides that allegations that gave rise to the states' investigation and the settlement described above have not been admitted by YP.com, and its agreement to address the states' concerns and allegations does not constitute an admission of wrongdoing by YP.Corp, YP.com, or Telco Billing, Inc.

Any consumers, businesses, or other organizations that deposited activation checks from YP.com since January 1, 2003, without understanding they were signing up to be billed for internet yellow page listings, should contact Attorney General McGraw's office no later than January 30, 2007. Call 304-558-8986 or 800-368-8808 for information on how to request a refund.

Current YP.com customers who are being billed for a listing through their telephone bills or bank accounts and became customers by depositing an activation check, should be contacted by letter within the next two weeks by YP.com. Any customers with questions are invited to call the Attorney General's toll free number at

1-800-368-8808; consumers living in the Charleston area may call 558-8986.

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